



Values-based Investing and Integrated Capital Strategies in Sustainable Textiles:

A ROADMAP FOR U.S. GROWTH AND OPPORTUNITY

BACKGROUND

GLOBAL CONTEXT, NATIONAL ROADMAP

Great strides have been made in reforming the U.S. food system over the past decade. Now, **there is a pressing need to bring similar attention to the fiber and textile system.** Over the past twenty years, growing consumer demand has led to a doubling of global fiber production, while the global garment industry has an estimated value of \$1.2-\$1.7 trillion. Nearly 60-75 million people worldwide, including nearly 600,000 workers in the U.S., are employed in this industry, which has become infamous for environmental degradation and low wage, dangerous work. The rapid growth of this fossil fuel-driven global economic sector—petroleum-derived synthetic fibers now account for 65% of global fiber production—has led to a cascade of intensifying environmental and social justice impacts that are buried out of sight in a multi-layered global supply chain.

HOW CAN THIS SECTOR BECOME BENEFICIAL TO PEOPLE AND THE PLANET?

A new and growing field of study has demonstrated that **regenerative agricultural practices, including fiber production, hold much promise for restoring soil carbon through the photosynthetic sequestration of atmospheric CO₂.** Simultaneously, regional textile production also works to build skill-based economies that can reinvigorate rural, native, and inner-city areas economically devastated by the loss of manufacturing jobs from globalization, as demonstrated by the work of entities like Fibershed and Carolina Textile District.

As we seek to solve for system problems, we need a vision and strategy that helps us see and support the systems we wish to grow. Current efforts in the global textile industry to develop more sustainable fibers or move away from the most polluting practices, while important, have done little to nothing to solve for the root issues caused by an extractive economic model. Our collective efforts must be structural, not symptoms-focused, and aim to accelerate a just transition towards a regenerative regional fiber and textile economy that is good for both people and planet. This approach will enable the growth of strong localized jobs, support adequate training and skills development for textile workers, and fuel the development of a community-owned processing infrastructure that would allow sustainable textile supply chains to scale.



Photo courtesy of Southeastern New England Fibershed

WHAT FUNDERS AND INVESTORS SAY THEY NEED

Over the past two decades, philanthropic funding and investment dollars have fueled a vibrant U.S. and global food movement. U.S. funders, impact investors, and integrated capital practitioners currently have a key opportunity to catalyze similar momentum and reform in the textile industry. At the 2018 SAFSF Forum Funder In-Depth session on sustainable fiber and textiles, funders and investors emphasized specific, immediate needs for data and case studies to incentivize increased investment in sustainable textile infrastructure. Experiences from the food movement show that a coordinated, strategic roadmap is critical to make the best use of integrated philanthropic and investment support.

PROPOSED PROJECT

This project will deliver a roadmap for values-based investment and integrated capital opportunities in regional textile processing and manufacturing infrastructure, including investment in education and human skills. It will prioritize geographies poised to implement carbon farming practices and where economic inequity and systemic environmental justice burdens can be ameliorated through regenerative economic development. It will identify “levers” in **three key areas—California, the Northeast, and North Carolina—as well as a few individual projects in the Midwest and Southwest**, where investments could be made to increase the robustness, professionalism, and supply of climate beneficial, compostable, regional fibers and textiles. **Our proposed roadmap will provide a concrete guide for bringing these dollars to the ground in local communities.**

This project will build on the grantmaking opportunities outlined in the “[Common Threads](#)” white paper, a review of current literature, and a market research project currently underway to assess current and projected demand in the sustainable textiles marketplace. The heart of the project will be an in-depth series of interviews with stakeholders including producers, brands, industry experts, education/TA providers, garment workers, philanthropists, and investors. It will also include sector-wide research into what R&D will be essential in order to produce climate beneficial textiles that meet the specifications of mainstream brands such as The North Face or Patagonia. We will synthesize and analyze all project data and interview results into a written report and a visual roadmap identifying the types of funds (grants, PRIs, loans, investment capital) needed over the next 5-7 years and when they would have the greatest impact.

Though there are many possible pathways for impact, we are focused on mapping the points of intersection between what buyers from sustainable apparel brands need and don't have (a reliable supply of local, sustainable fibers) and what fiber farmers need and don't have (processing infrastructure and associated skilled labor that would let them realize the most value from their crops). Throughout the roadmap, we will also prioritize climate mitigation and equity/justice as critical criteria, drawing on a Just Transition framework. Funding and investment opportunities will be examined against these key criteria to ensure that future activity truly creates systemic change, rather than replicating issues with the current global system.

AUTHORS

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THE FINAL REPORT WILL INCLUDE:

- **GAP ANALYSIS:** What apparel brands and fiber farmers need and don't have
- **MARKET ANALYSIS:** Assessing current and potential demand for sustainable textiles
- **ROADMAP:** A guide to addressing the gaps in the sector
- **KEY LEVERS:** Highlighting pathways towards systems change
- **VISUAL TIMELINE:** Outlining types of funds needed and where, how and when they will have the greatest impact

PROJECT TIMELINE

- **MAY 2019 – APRIL 2020:** Research, Interviews, and Roadmap Development
- **APRIL 2020:** Soft release / review period
- **SAFSF FORUM, JUNE 2020:** Formal release

The project will be fiscally sponsored by Sustainable Agriculture and Food Systems Funders and advised by a group of 10-15 expert Advisory Committee members.

LINK TO THE FULL SCOPE AND BUDGET

The full scope of work, budget, list of proposed interviews, and advisory committee list is available [HERE](#).

FOR MORE INFO CONTACT

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LINKS FOR A PRINTED VERSION OF THIS SUMMARY

Common Threads

www.safsf.org/wp-content/uploads/2017/09/SAFSF_CommThrd_D7_FINAL.pdf

Full Scope & Budget

www.dropbox.com/sh/ycxmv3196g3te2/AAB-KFJVSa5q5ieB7mIOM1gha?dl=0